

THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF STOCKTON EAST WATER DISTRICT WAS HELD AT THE DISTRICT OFFICE  
6767 EAST MAIN STREET, STOCKTON, CA  
ON TUESDAY, DECEMBER 18, 2018 AT 12:00 NOON

**A. PLEDGE OF ALLEGIANCE AND ROLL CALL**

President Panizza called the regular meeting to order at 12:22 p.m., and Director Watkins led the Pledge of Allegiance.

Present at roll call were Directors Atkins, Cortopassi, McGaughey, McGurk, Panizza, Sanguinetti and Watkins. Also present were Manager Moody, Assistant Manager Lee, Finance Director Vega, Administrative Services Manager Carido, Administrative Clerk Curtis, Legal Counsel Zolezzi and Consultant Barkett.

**B. CONSENT CALENDAR (None)**

**C. PUBLIC COMMENT**

Danny Trejo, City of Stockton wished the Board a Happy Holiday.

**D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS**

1. Minutes

a. Minutes 12/10/18 Special Meeting

Manager Moody provided the Board with a handout of the revised December 10, 2018 Special Meeting Minutes with the following correction to the minutes:

- Page 1, section D-1a, 3<sup>rd</sup> paragraph, 1<sup>st</sup> sentence – strike “unanimously”.
- Page 1, section D-1a, 4<sup>th</sup> paragraph (Roll Call) – strike “Panizza” in the Ayes and record “Panizza” in the Nays.

A motion was moved and seconded to approve the December 10, 2018 Special Meeting Minutes, as amended.

Roll Call:

Ayes: Atkins, Cortopassi, McGaughey, McGurk, Panizza, Sanguinetti, Watkins  
Nays: None  
Abstain: None  
Absent: None

b. Minutes 12/11/18 Regular Meeting

A motion was moved and seconded to approve the December 11, 2018 Regular Meeting Minutes, as presented.

Roll Call:

Ayes: Atkins, Cortopassi, McGaughey, McGurk, Panizza, Sanguinetti, Watkins  
Nays: None  
Abstain: None  
Absent: None

2. Warrants
  - a. Fund 70 – Administration Fund
  - b. Fund 71 – Water Supply Fund
  - c. Fund 91 – Vehicle Fund
  - d. Fund 94 – Municipal & Industrial Fund
  - e. Payroll
  - f. Summary
  - g. Short Names/Acronym List
  - h. SEWD Vehicles & Equipment

Manager Moody reported on the expense on page 15, line item 4 for Armor Fire Extinguisher Company for New Fire Extinguishers for North and South Wells in the amount of \$996.55. Manager Moody reported Finance Director Vega researched the invoice and found 2 extinguishers were purchased at \$330 for each. The remaining costs were for the hydration and filling fees. Director Sanguinetti inquired on the size of the extinguishers. Manager Moody replied they are each 2.5 pounds of CO<sub>2</sub>. Manager Moody advised staff will research different entities where extinguishers can be purchased.

A motion was moved and seconded to approve the December 18, 2018 Warrants, as presented.

Roll Call:

Ayes: Atkins, Cortopassi, McGaughey, McGurk, Panizza, Sanguinetti, Watkins  
Nays: None  
Abstain: None  
Absent: None

3. Revised Base Monthly Payment – Fiscal Year 2019/2020

- a. Public Hearing

President Panizza opened the Public Hearing at 12:27 p.m., to receive comments on the Revised Base Monthly Payment – Fiscal Year 2019/2020.

Manager Moody provided proof of publication of the public hearing and reported this is an annual task; now that the Fiscal Year 2019/2020 Budget has been approved, the final Base Monthly Payment has been set and the Resolution needs to be approved. The documentation to support the final Base Monthly Payment is included behind the resolution.

Seeing there were no public comments, President Panizza closed the Public Hearing at 12:28 p.m.

- b. Resolution No. 18-19-05 – Setting a Revised Base Monthly Payment for the Period April 1, 2019 to March 31, 2020

A motion was moved and seconded to adopt Resolution No. 18-19-05 – Setting a Revised Base Monthly Payment for the Period April 1, 2019 to March 31, 2020, as presented.

Roll Call:

Ayes: Atkins, Cortopassi, McGaughey, McGurk, Panizza, Sanguinetti, Watkins  
Nays: None  
Abstain: None  
Absent: None

4. San Joaquin County General Election – Official Final Results  
Manager Moody provided the Board with information on the San Joaquin County General Election – Official Final Results. President Panizza inquired if this list is specific to state, federal and new elected City Council members. Manager Moody replied yes.

Manager Moody queried the Board as to sending letters of congratulations to those on the list.

Consensus of the Board was to send letters of congratulations to newly elected or re-elected officials on the provided list.

5. 2019 San Joaquin Council of Governments One-Voice Trip (05/05/19 – 05/09/19) – Call for Projects  
Manager Moody inquired with Consultant Barkett if he was able to get in contact with Consultant Boesch regarding a trip to Washington, D.C. Consultant Barkett replied yes. Consultant Boesch advised February would be the best time to travel to Washington, D.C. if the District wants to make an impact and reintroduce ourselves to legislators.

Consultant Boesch believes that Senator Feinstein will be key to any topics the District will be taking back to discuss.

Consultant Barkett reported that Jeff Denham is in the running for Secretary of the Interior. The decision should be announced sometime this week.

Manager Moody reported the District should plan to meet with Congressman Harder while in Washington, D.C. Staff will reach out to Congressman Harder's local office to identify the best time in February to be able to meet with him specifically and not a member of his staff. Once those dates have been identified Manager Moody will bring them back to the Board for consideration.

Director Sanguinetti agreed that a February trip would be more advantageous as it will be better to get in front of issues to make legislators aware now, versus waiting until May when it will be too late. Director Sanguinetti added it will be important for the Directors who attend the One Voice Trip to go in February as it will show a united front and the importance to the District of the topics they will be discussing.

Consultant Barkett recommended only taking one or two items to Washington, D.C. to discuss, as any more may get lost in the shuffle. Manager Moody replied the group can take all issues, but only present specific items to applicable parties. President Panizza added it could be of value to identify key staff personnel as they will be the people the District can discuss multiple items with and not wear out their welcome.

President Panizza inquired if it would be helpful for Manager Moody to work with the One Voice travelers to discuss plans. Manager Moody replied yes and he will have Consultant Barkett forward him the calendar of events from Consultant Boesch. The calendar with the Congressman Harder's availability will determine the best time to travel.

6. United States Army Corps of Engineers – New Hogan Reservoir Tainter Gate  
Manager Moody provided the Board with handouts of correspondence and photos regarding the New Hogan Reservoir Tainter Gates. Manager Moody reported the Legal Counsel Harrigfeld has drafted a letter to the United States Army Corps of Engineers (USACE) discussing the water releases out of New Hogan.

Manager Moody reported if we request the USACE conduct this work in the summer months, it could potentially be a worse situation as water levels have to be kept low, as opposed to allowing spring runoff accumulate in the Reservoir.

Legal Counsel Zolezzi suggested leaving it up to the USACE to advise the District when they plan to conduct this work. The District can advise that we are most concerned about when the flood curve rises.

Director Watkins inquired who the District would speak with should the USACE dump our contracted water, which the District has the right to store. Manager Moody replied that between the current language of the letter and Legal Counsel Zolezzi's additions, those concerns would be addressed.

Director Sanguinetti suggested that the letter should address our concern that the flood curve goes up and the rain in February and March will not be stored for the District.

Director Watkins suggested the District be provided with a timeline of the Project, as far as how long it will take until it is complete. Manager Moody replied that the gate they are working on now is the pilot to determine a timeline for the other gates.

Manager Moody advised he will work on the letter with Legal Counsel Zolezzi and Harrigeld and bring back to the Board for review.

7. Stockton East Water District – Photovoltaic Solar System Project – Ribbon Cutting Event Discussion

Manager Moody queried the Board as to whether Wednesday, January 30, 2019 or Thursday, January 31, 2019 will work best for a ribbon cutting event. Manager Moody reported he would like to give staff as much time as possible to prepare for the event. The Board was in agreement.

Consensus of the Board was to schedule the ribbon cutting event on either January 30<sup>th</sup> or January 31<sup>st</sup>.

8. Somach Simmons & Dunn – Dismissing Water Rights Fees Litigation Against the California State Water Resources Control Board, 11/30/18

Manager Moody provided the Board with correspondence from Somach Simmons & Dunn regarding Dismissing Water Rights Fees Litigation Against the California State Water Resources Control Board. Manager Moody reported the water rights fees litigation was dismissed. The Farm Bureau has since dismissed their case challenging the State Water Board water rights fees.

Director Watkins inquired why the petitioners lost the case. Legal Counsel Zolezzi reported one item was won and that was the court agreeing that the State Board distributed entities' charges incorrectly. The main dispute was to challenge the State Board's authority to charge water rights fees. This item was appealed as far as it could be and was denied. This item was for information only.

9. Resolution No. 18-19-06 – Approval for the Stockton East Water District to Proceed with Submission of Inclusion Request to the United States Bureau of Reclamation for the Parcels as Detailed in the Parcel Legal Descriptions

Manager Moody provided the Board with Resolution No. 18-19-06 for approval to proceed with submission of inclusion request to the United States Bureau of Reclamation (USBR). Manager

Moody reported at the December 4, 2018 Regular Board Meeting the Board decided to move forward with the inclusion process to include paying the \$10,000 deposit. The USBR requires a resolution approved by the Board with all parcel numbers and legal descriptions attached. This information will be sent to the USBR with the \$10,000 deposit.

Director Watkins inquired if this map represents those who the District will deliver water. Manager Moody replied yes.

President Panizza inquired if staff has contacted Oakdale Irrigation District (OID) about their sphere of influence within the area we are proposing for inclusion. Manager Moody reported he has reached out a couple times without any luck. However, discussions with OID were regarding annexing, not delivering water, as the District has been doing this for some time.

Director Cortopassi inquired if this process is to request permission from the USBR to sell water to Out of District customers, not necessarily include them in the District. Manager Moody replied yes. The parcels include everything along our watercourse that has either previously taken water or potentially could in the future.

Director Watkins inquired on a few parcels that look to be irrigated and inquired if they should be included in this process. Assistant Manager Lee replied requests have not been received from those owners to include them in this process. Manager Moody added staff should include them anyway if we are taking this steps and paying the fee. Manager Moody reported these parcels will be included.

President Panizza inquired if staff should revise the resolution prior to approving. Administrative Services Manager Carido replied there are a handful of other parcels that staff is working to get legal descriptions from the County that will have to come back to the Board. Administrative Services Manager Carido suggested the few parcels Director Watkins identified be added to the next resolution to come before the Board.

A motion was moved and seconded to approve Resolution No. 18-19-06 – Approval for the Stockton East Water District to Proceed with Submission of Inclusion Request to the United States Bureau of Reclamation for the Parcels as Detailed in the Parcel Legal Descriptions, as presented.

Roll Call:

Ayes: Atkins, Cortopassi, McGaughey, McGurk, Panizza, Sanguinetti, Watkins

Nays: None

Abstain: None

Absent: None

10. Resolution No. 18-19-07 – Designating Contractor Representatives for Negotiation of Conversion of Repayment Contract to a 9(D) Contract for Water Service with the Central Valley Project  
Manager Moody reported this resolution is part of requesting permanent contractor status with the United States Bureau of Reclamation (USBR) under the Water Infrastructure for Improvements to the Nation (WIIN) Act.

Legal Counsel Zolezzi advised the USBR are starting to schedule meetings for January and February 2019, but nothing is confirmed yet.

A motion was moved and seconded to approve Resolution No. 18-19-07 – Designating Contractor Representatives for Negotiation of Conversion of Repayment Contract to a 9(D) Contract for Water Service with the Central Valley Project, as presented.

Roll Call:

Ayes: Atkins, Cortopassi, McGaughey, McGurk, Panizza, Sanguinetti, Watkins  
Nays: None  
Abstain: None  
Absent: None

**E. COMMITTEE REPORTS (None)**

**F. REPORT OF GENERAL MANAGER**

1. Water Supply Report as of 12/17/18

Manager Moody provided a handout of the Water Supply Report for information only that included storage, release, and production data collected from various sources as of midnight last night.

There is 151,486 AF in storage at New Hogan Reservoir. Current releases are set at 23 cfs. There is 1,775,724 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 223 cfs and release to all water users are set at 269 cfs. There are no irrigator(s) on New Hogan, New Melones or Out-of-District. The water treatment plant is currently processing 18 mgd. The City of Stockton is currently processing 15 mgd.

2. Information Items:

Manager Moody noted items: F2a-1, F2a-2 and F2a-3.

3. Report on General Manager Activities

a. New Hogan Annual Emergency Action Plan Face-to-Face Meeting, 12/14/18

Assistant Manager Lee reported Water Operations Manager Wunderlich and Water Supply Supervisor Donis attended the December 14, 2018 New Hogan Annual Emergency Action Plan Face-to-Face Meeting. Manager Moody reported at the meeting the Emergency Action Plan was reviewed, which is the order of operations in an emergency. All agency contact information was also reviewed to ensure all contacts are up to date.

Director Watkins advised staff was offered a tour of New Hogan in February 2019. Director Watkins advised he would like to participate on that tour as well; perhaps other Directors would also be interested. Manager Moody advised staff will look into scheduling a tour for the Board and staff.

b. Cancelled – Central Valley Project Water Association – Executive & Financial Affairs

Committee, 12/14/18

Nothing to report.

c. Stockton East Water District Activities Update

Manager Moody reported he and Assistant Manager Lee met with representatives from South San Joaquin Irrigation District (SSJID) regarding the Water Master Plan. SSJID wanted to meet with SEWD to discuss any potential joint future projects. There was discussion on the potential for recharge in Central San Joaquin Water Conservation District's area; potential of Goodwin being used in an emergency for backup should SSJID experience interruption and discussion on Farmington Dam.

Manager Moody reported the District held its annual food drive was collected 524 pounds of food that was donated to the Emergency Food Bank of Stockton.

Manager Moody reported Assistant Manager Lee is working on a grant proposal for the Bellota Fish Screen Project. The deadline for grant submission was pushed to Friday, December 21<sup>st</sup> due to internet issues on the site for submission. Manager Moody advised each submission will be scored and scores can be increased by how much each agency will agree to match half of the requested grant amount. Assistant Manager Lee reported the District will be requesting a grant for ~\$3 million. Manager Moody reported the District can match anywhere from 0% secured cost share to greater than 40% secured cost share. If the District chooses to match greater than 40% we will earn an additional 5-points. Director McGurk inquired if the District would have to contribute more funds should the cost be greater than expected. Manager Moody replied it is a possibility, but staff is getting feedback from outside entities who we would solicit to do the work, so the figures will be as accurate as possible. Director McGurk advised he is in favor of the greater than 40% secured cost share option, which would give the District an additional 5-points. Director Watkins inquired if this grant is for the design phase. Manager Moody replied design and environmental. Director Cortopassi inquired if the Board will be provided with different design options. Manager Moody replied yes, staff will provide the Board with all options once the time comes. Director Watkins inquired if the District will move forward with this Project and spend the money before the Habitat Conservation Plan (HCP) is approved. Legal Counsel Zolezzi replied yes, as this Project will be necessary either way. Manager Moody assured the Board that should they choose to match any funds they are not locked into anything. Director McGurk inquired how long the design is good for. Manager Moody replied two years. Manager Moody reported this Project is very high on the list of projects for Fish & Wildlife and the National Marine Fisheries Service. Director Watkins inquired how much funding would be required from the District to be considered in the greater than 40%. Assistant Manager Lee replied the District would need to contribute ~\$1.2 million for the \$3 million grant request. Director Watkins inquired on the amount of money the District has in reserves for this Project. Finance Director Vega replied ~\$6 million. Manager Moody added an additional \$2.5 million was also budgeted for the next Fiscal Year. Consensus of the board was to move forward with a greater than 40% contribution for an additional 5-points.

## **G. DIRECTOR REPORTS**

1. Stockton East Water District Employee Holiday Potluck, 12/14/18  
Directors Atkins, Sanguinetti and Watkins attended the December 14, 2018 Stockton East Water District Employee Holiday Potluck. Manager Moody reported between the Pie in the Face and the Raffle, staff raised \$754.
2. San Joaquin County Board of Supervisors Holiday Open House, 12/18/18  
Nothing to report.

## **H. COMMUNICATIONS (None)**

## **I. AGENDA PLANNING/UPCOMING EVENTS**

1. Cancelled – San Joaquin County Flood Control and Water Conservation District Advisory Water Advisory Commission Meeting, 1:00 p.m., 12/19/18
2. District Holiday – Christmas Day, 12/25/18
3. Cancelled – Stockton East Water District Regular Board Meeting, 12:00 Noon, 12/25/18
4. District Holiday – New Year’s Day, 01/01/19

5. Cancelled – Stockton East Water District Regular Board Meeting, 12:00 Noon, 01/01/19
6. Greater Stockton Chamber of Commerce Monthly Mixer – Heritage Dining & Provisions at the Waterloo Gun & Bocce Club, 5:15 p.m., 01/03/19

President Panizza inquired on the annual Goodwin Dam Budget Meeting. Manager Moody replied they last requested Friday, December 21, 2018 at 3:00 p.m. President Panizza advised necessary Directors will be present for the conference call.

**J. REPORT OF THE COUNSEL**

1. Closed Session - Potential Litigation  
Government Code 54956.9 (c) – two cases

President Panizza adjourned the meeting to closed session at 1:28 p.m. to discuss closed session agenda items. The regular meeting reconvened at 2:12 p.m., with no reportable action.

**K. ADJOURNMENT**

President Panizza adjourned the meeting at 2:13 p.m.

Respectfully submitted,



Scot A. Moody  
Secretary of the Board

tbc

